

CHAPTER 18 SMALL PURCHASE AND OTHER SIMPLIFIED PURCHASE PROCEDURES

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1800 USE OF SMALL PURCHASE PROCEDURES

- 1800.1 The small purchase procedures set forth in this chapter may only be used for the procurement of supplies, services, and other items when the total amount of the procurement does not exceed ten thousand dollars (\$10,000), in accordance with §306 of the District of Columbia Procurement Practices Act of 1985 (the "Act"), D.C. Code §1-1183.6 (1981).
- 1800.2 Notwithstanding the provisions of §1800.1, an agency shall not use small purchase procedures when the total amount of the procurement exceeds that agency's small purchase authority limit set forth in §§1801.3 or 1801.4.
- 1800.3 A contracting officer shall not use small purchase procedures when the requirement can be met by using a requirements contract, an indefinite quantity contract, a federal supply schedule, or other required source of supply.
- 1800.4 A contracting officer shall not use small purchase procedures when the procurement requirement is initially estimated to exceed the agency's small purchase limitation, even though the resulting award does not exceed that limit.
- 1800.5 A contracting officer shall not split a procurement totaling more than the agency's small purchase limitation into several purchases that are less than the limit in order to permit the use of the small purchase procedures.

1800.6 A procurement requirement shall not be parceled, split, divided, or purchased over a period of time in order to avoid the dollar limitations for use of small purchase procedures.

1800.7 A contracting officer shall use the small purchase procedure that is most suitable, efficient, and economical based on the circumstances of each procurement.

AUTHORITY: Unless otherwise noted, the authority for this chapter is the District of Columbia Procurement Practices Act of 1985, D.C. Law 6-85, as amended, D.C. Code §1-1181.1 *et seq.* (1981).

SOURCE: Final Rulemaking published at 35 DCR 1476 (February 26, 1988).

1801 AGENCY SMALL PURCHASE AUTHORITY

1801.1 The small purchase contracting authority of the following officials shall be ten thousand dollars (\$10,000):

- (a) City Administrator and Deputy Mayor for Operations;
- (b) Deputy Mayor for Finance;
- (c) Deputy Mayor for Economic Development; and
- (d) Corporation Counsel.

1801.2 The small purchase contracting authority of the head of each of the following agencies shall be ten thousand dollars (\$10,000):

- (a) Department of Consumer and Regulatory Affairs;
- (b) Department of Corrections;
- (c) Department of Employment Services;
- (d) Department of Finance and Revenue;
- (e) Department of Housing and Community Development;
- (f) Department of Human Services;
- (g) Department of Public Works;
- (h) Metropolitan Police Department;
- (i) Office on Aging;
- (j) Office of Business and Economic Development;
- (k) Office of Financial Management; and
- (l) Office of Planning.

1801.3 The small purchase contracting authority of the head of each of the following agencies shall be five thousand dollars (\$5,000):

- (a) Office of the Budget.
- (b) Commission on the Arts and Humanities;
- (c) Office of Criminal Justice Plans and Analysis;
- (d) Office of Emergency Preparedness;
- (e) Energy Office;
- (f) Fire Department;
- (g) Office of Human Rights; and
- (h) Office of Personnel.

1801.4 The small purchase contracting authority of the head of each agency not delegated a higher limit of small purchase authority under §§1801.2 or 1801.3 shall be two thousand five hundred dollars (\$2,500).

SOURCE: Final Rulemaking published at 35 DCR 1477 (February 26, 1988).

1802 NON-COMPETITIVE SMALL PURCHASES

1802.1 A procurement for an amount of two hundred fifty dollars (\$250) or less may be made without obtaining competitive quotations if the contracting officer determines the price to be reasonable.

1802.2 Non-competitive small purchases shall be distributed equitably among suppliers. When practical, a quotation shall be solicited from a vendor other than the previous supplier before placing a repeat order.

1802.3 The contracting officer shall take action to verify price reasonableness in the following instances:

- (a) When the contracting officer suspects or has information (such as comparison to previous prices paid or personal knowledge of the item involved) to indicate that the price may not be reasonable; or
- (b) when purchasing an item for which no comparable pricing information is readily available (such as an item that is not the same as, or is not similar to, other items that have been recently purchased on a competitive basis).

SOURCE: Final Rulemaking published at 35 DCR 1478 (February 26, 1988).

1803 COMPETITIVE SMALL PURCHASES

1803.1 For each procurement in an amount over two hundred fifty dollars (\$250), the contracting officer shall solicit quotations from at least three (3) sources to promote competition to the maximum extent practicable and to ensure that the purchase is in the best interests of the District, considering price and other factors (including the

administrative cost of the purchase). If practicable, two (2) sources not included in the previous solicitation for similar items shall be requested to furnish quotations.

- 1803.2 If the contracting officer determines that it is impractical under the circumstances to solicit more than two (2) sources (due to time constraints, lack of available sources, or other factors set forth in §1803.4), the contracting officer may solicit quotations from two (2) sources. In no instance shall the contracting officer solicit quotations from fewer than two (2) sources unless the provisions of §1803.5 are followed.
- 1803.3 If the contracting officer determines that the best interests of the District (or other factors set forth in §1803.4) indicate that quotations should be obtained from more than three (3) sources, the contracting officer may require the solicitation of additional quotations.
- 1803.4 The contracting officer shall consider the following factors when deciding how many quotations will be solicited:
- (a) The nature of the item or service to be purchased and whether it is highly competitive and readily available in several makes or brands, or if it is relatively non-competitive;
 - (b) Information obtained in making recent purchases of the same or similar item;
 - (c) The urgency of the proposed purchase;
 - (d) The dollar value of the proposed purchase; and
 - (e) Past experience concerning specific contractors' prices.
- 1803.5 A small purchase procurement solicitation may only be limited to a sole source when the contracting officer determines, in writing, that one (1) of the four (4) conditions in §305(a) of the Act is satisfied, in accordance with chapter 17 of this title.
- 1803.6 A contracting officer may orally solicit quotations. However, a contracting officer shall use a written solicitation in the following circumstances:
- (a) When a large number of line items is included in a single proposed procurement;
 - (b) When obtaining oral quotations is not considered economical or practical;
 - (c) When extensive specifications are involved; or
 - (d) When the suppliers are located outside the local trading area.
- 1803.7 A contracting officer shall maximize competition for small purchases and shall not limit solicitations to suppliers of well known and widely distributed makes or brands, or solicit on a personal preference basis.

- 1803.8 Each contracting officer shall maintain a small purchase source list (or lists, if more convenient). The list shall indicate whether the business is a certified minority business.

SOURCE: Final Rulemaking published at 35 DCR 1479 (February 26, 1988).

1804 DETERMINATION OF REASONABLE PRICE AND AWARD

- 1804.1 The contracting officer shall determine, in writing, that the price to be paid to the successful offeror is fair and reasonable.
- 1804.2 When only one (1) response is received to a request for quotations, or the price variance between multiple responses reflects a lack of adequate competition, the contracting officer shall include a statement in the contract file giving the basis for the determination of a fair and reasonable price.
- 1804.3 The determination that a proposed price is fair and reasonable may be based on either of the following:
- (a) Competitive quotations; or
 - (b) Comparison of the proposed price with prices found reasonable on previous purchases, current price lists, catalogs, advertisements, similar items, value analysis, the contracting officer's personal knowledge of the item being purchased, or any other reasonable basis.
- 1804.4 The contracting officer shall establish and maintain informal records of oral price quotations and include the record in the purchase file. The informal records shall consist of the names of the suppliers contacted and the prices and other terms and conditions quoted by each.
- 1804.5 The contracting officer may limit written records of solicitations to notes or abstracts to show prices, delivery, references to printed price lists used, the vendor or vendors contacted, and other pertinent data.
- 1804.6 The contracting officer shall retain records supporting small purchases for a minimum of three (3) years.
- 1804.7 The contracting officer shall notify unsuccessful suppliers only if requested.

SOURCE: Final Rulemaking published at 35 DCR 1480 (February 26, 1988).

§§1805-1809: RESERVED

1810 BLANKET PURCHASE AGREEMENTS

- 1810.1 A blanket purchase agreement (BPA) may be used, in accordance with the provisions of this chapter, as a simplified method of filling anticipated repetitive needs for supplies, services, or other items by establishing charge accounts with sources of supply.
- 1810.2 A contracting officer may establish a BPA if one (1) or more of the following criteria apply:
- (a) There is a wide variety of items in a broad class of goods that are generally purchased, but the exact items, quantities, and delivery requirements are not known in advance and may vary considerably;
 - (b) There is a need to provide commercial sources of supply for one (1) or more offices in an agency that do not otherwise have or need direct authority to purchase; or
 - (c) The administrative cost of writing numerous purchase orders can be avoided through the use of this procedure.
- 1810.3 A BPA shall not be used for any commodity, service, or other item for which a requirements type contract has been issued by the District.
- 1810.4 A BPA is not a contract and may be established without a purchase requisition or the obligation of funds.
- 1810.5 To the extent practical, BPA's for items of the same type shall be placed concurrently with more than one (1) supplier. All competitive sources shall be given an equal opportunity to furnish supplies, services, or other items under a BPA.
- 1810.6 A BPA may be limited to furnishing individual items or commodity groups or classes, or it may be unlimited for all items or services that the source of supply is in a position to furnish, except as provided otherwise under this section.
- 1810.7 The contracting officer shall not use a BPA to authorize purchases that are not otherwise authorized by law or this title and shall not purchase off a BPA to avoid the small purchase authority limitation.
- 1810.8 The existence of a BPA shall not justify procurement on a sole source basis.
- 1810.9 When there is an insufficient number of vendors with BPA's to ensure maximum practicable competition for a particular purchase, the contracting officer shall do the following:
- (a) Solicit quotations from other sources and make the purchase as appropriate; and

- (b) Establish additional BPA's to facilitate future purchases when recurring requirements for the same or similar items or services seem likely, when qualified sources are willing to accept a BPA, or when it is otherwise practical to do so.

SOURCE: Final Rulemaking published at 35 DCR 1481 (February 26, 1988).

1811 BLANKET PURCHASE PROCEDURES

- 1811.1 The contracting officer shall prepare and issue a BPA on a BPA form approved by the Director.
- 1811.2 The contracting officer shall include the following information in each BPA:
 - (a) A statement that the supplier will furnish supplies or services, described in general terms, if and when requested by the contracting officer during a specified period and within a stipulated total amount;
 - (b) A statement that the District is obligated only to the extent that authorized purchases are actually made under the BPA;
 - (c) A statement that the prices to the District shall be as low or lower than those charged to the supplier's most favored customer for comparable quantities under similar terms and conditions, in addition to any discounts for prompt payment; and
 - (d) A statement that specifies the dollar limitation for purchases under the BPA (not to exceed the agency's small purchase authority).
- 1811.3 The contracting officer shall furnish to each supplier a list of names of individuals authorized to purchase under the BPA, identified by organizational component, and the dollar limitation per purchase for each individual.
- 1811.4 Each BPA shall contain a requirement that all deliveries or shipments under the agreement (except subscriptions and other charges for newspapers, magazines, or periodicals) shall be accompanied by delivery tickets or sales slips which contain the following minimum information:
 - (a) The name of the supplier; .
 - (b) The BPA number.
 - (c) The date of purchase;
 - (d) The purchase order number;
 - (e) An itemized list of supplies or services furnished;
 - (f) The quantity, unit price, and extension of each item, less applicable discounts; and
 - (g) The date of delivery or shipment.

1811.5 Each BPA shall require that one (1) of the following procedures be followed:

- (a) That a vendor submit to the contracting officer a summary invoice at least monthly or upon expiration of the BPA, whichever occurs first, for all deliveries made during a billing period, identifying the delivery tickets;
- (b) That the vendor submit to the contracting officer an itemized invoice at least monthly or upon expiration of the BPA, whichever occurs first, for all deliveries made during a billing period and for which payment has not been received. These invoices need not be supported by copies of delivery tickets; or
- (c) That an invoice submitted by the vendor to the contracting officer for subscriptions or other charges for newspapers, magazines, or other periodicals show the starting and ending dates and state either that ordered subscriptions have been placed in effect or will be placed in effect upon receipt of payment.

1811.6 Each order placed against a BPA shall be recorded on a BPA order form, approved by the Director, which shall include a discreet BPA order number, accounting data identifying the source of funds, the items or services ordered, the name of the person placing the order, the date of the order, and other information required by the Director.

1811.7 Purchases against a BPA may be made orally; Provided, that each order shall be documented on a BPA order form. After making an oral purchase, the contracting officer may send a copy of the BPA order form to the contractor to ensure that the contractor and the contracting officer agree concerning the transaction.

1811.8 The contracting officer executing a BPA shall do the following:

- (a) Maintain adequate records to ensure that the total dollar volume of orders does not exceed the stated total aggregate amount;
- (b) Ensure that only authorized individuals are placing purchases against a BPA; and
- (c) Maintain awareness of changes in market conditions, sources of supply, and other pertinent factors that may warrant new arrangements with different suppliers or the modification of existing arrangements.

1811.9 An individual BPA shall be considered terminated when the purchases under it equal its total dollar limitation or when its stated time period expires.

SOURCE: Final Rulemaking published at 35 DCR 1482 (February 26, 1988).

§§1812-1814: RESERVED

1815 IMPREST FUNDS

- 1815.1 A cash purchase using imprest funds may be made when the transaction does not exceed one hundred fifty dollars (\$150). The head of an agency may establish a lower limit on imprest fund purchases for that agency.
- 1815.2 A contracting officer shall specifically designate in writing persons authorized to make purchases using imprest funds.
- 1815.3 Each purchase using imprest funds shall be recorded on an imprest fund purchase form, approved by the Director, which shall include a discreet imprest fund purchase number, accounting data identifying the specific imprest fund account, the items or services purchased, the name of the person making the purchase, the purchase date, and other information required by the Director.
- 1815.4 The contracting officer shall further document each purchase using imprest funds by including a record of receipt and acceptance of supplies and services by the District, receipt of cash payment by the supplier, and the cash advances and reimbursements.
- 1815.5 When using imprest funds, the contracting officer may place orders to suppliers orally and without soliciting competition if prices are determined to be reasonable. The contracting officer shall distribute purchases equitably among suppliers, and shall solicit prompt payment discounts.
- 1815.6 The contracting officer, or other employee authorized under §1815.2, shall furnish a copy of the imprest fund purchase form to the imprest fund cashier with the following information annotated:
- (a) That an imprest fund purchase has been made;
 - (b) The unit and extended prices;
 - (c) The supplier's name and address; and
 - (d) The anticipated delivery date.
- 1815.7 The contracting officer shall require that the supplier include the following with each delivery:
- (a) An invoice, packing slip, or other sales instrument;
 - (b) The supplier's name and address;
 - (c) A list and quantity of items;
 - (d) The unit and extended prices; and
 - (e) The trade discount, if any.

SOURCE: Final Rulemaking published at 35 DCR 1484 (February 26, 1988).

§§1816-1819: RESERVED**1820 PURCHASE ORDERS**

- 1820.1 Each purchase order shall be issued on a form prescribed by the Director.
- 1820.2 Except as provided in §1821, a contracting officer shall issue a purchase order on a fixed-price basis and shall not include economic price adjustment or redetermination provisions.
- 1820.3 Each purchase order shall include any trade and prompt payment discounts that are offered.
- 1820.4 Each purchase order shall specify the quantity of supplies or services ordered.
- 1820.5 When applicable, a purchase order shall provide that inspection and acceptance will be at destination. When inspection and acceptance are to be performed at destination, advance copies of the purchase order shall be furnished to the point of receipt. Receiving reports shall be completed by the contracting officer or other designated District official immediately upon receipt and acceptance of material.
- 1820.6 Each purchase order shall contain a definite calendar date by which delivery of supplies or performance of services is required.
- 1820.7 Distribution of copies of purchase orders shall be limited to those required for essential administration and transmission of contractual information.
- 1820.8 If the contracting officer wants to consummate a binding contract between the parties before the contractor undertakes performance, the contracting officer shall require written acceptance of the purchase order by the contractor.

SOURCE: Final Rulemaking published at 35 DCR 1485 (February 26, 1988).

1821 UNPRICED PURCHASE ORDERS

- 1821.1 A contracting officer shall use an unpriced purchase order only under the following circumstances:
- (a) When the transaction will not exceed the agency's small purchase limit;
 - (b) When it is impractical to obtain pricing in advance of issuance of the purchase order; and
 - (c) When the purchase is for repairs to equipment requiring disassembly to determine the nature and extent of repairs, material available from only one (1) source and for which cost cannot be readily established, or supplies or services for which prices are known to be competitive but exact prices are not known.

- 1821.2 A contracting officer shall issue each unpriced purchase order by using a written purchase order form and shall set a realistic dollar ceiling, either for each line item or for the total order. The dollar limitation shall be an obligation subject to adjustment when the firm price is established.

SOURCE: Final Rulemaking published at 35 DCR 1486 (February 26, 1988).

1822 MODIFICATION OF PURCHASE ORDERS

- 1822.1 A purchase order may be modified by using the modification form approved by the Director. Each purchase order modification shall identify the order it modifies and shall contain an appropriate modification number.

- 1822.2 The contracting officer shall obtain a contractor's written acceptance of a purchase order modification if the written acceptance is determined by the contracting officer to be necessary to ensure the contractor's compliance with the purchase order as revised.

SOURCE: Final Rulemaking published at 35 DCR 1487 (February 26, 1988).

1823 TERMINATION AND CANCELLATION OF PURCHASE ORDERS

- 1823.1 If a purchase order that has been accepted in writing by the contractor is to be terminated, the contracting officer shall process the termination action in accordance with the provisions of chapter 37 of this title.

- 1823.2 If a purchase order that has not been accepted in writing by the contractor is to be canceled, the contracting officer shall notify the contractor in writing that the purchase order has been canceled, request the contractor's written acceptance of the cancellation, and proceed in accordance with the provisions of §§1823.3 and 1823.4.

- 1823.3 If the contractor accepts the cancellation and does not claim that costs were incurred as a result of beginning performance under the purchase order, no further action shall be required and the purchase order shall be considered canceled.

- 1823.4 If the contractor does not accept the cancellation or claims that costs were incurred as a result of beginning performance under the purchase order, the contracting officer shall treat the action as a termination in accordance with the provisions of chapter 37 of this title.

SOURCE: Final Rulemaking published at 35 DCR 1487 (February 26, 1988).

1899 DEFINITIONS

- 1899.1 When used in this chapter, the following terms and phrases shall have the meanings ascribed:

Blanket purchase agreement - a pre-contractual agreement with a vendor that establishes a charge account for supplies or services which allows an agency to make small purchases without the

issuance of a purchase order for each individual purchase. Payments are made on a monthly basis.

Certified minority business - a contractor certified in accordance with the provisions of the Minority Contracting Act of 1976, effective March 29, 1977, (D.C. Law 1-95; D.C. Code §1-1141 *et seq.* (1981)).

Director - the Director of the Department of Administrative Services.

Imprest fund - a cash fund of a fixed amount established by an advance of funds, without charge to an appropriation, from an agency finance or disbursing officer to a duly appointed cashier, for disbursement as needed from time to time in making payment in cash for very small purchases.

Imprest fund cashier - the individual responsible for dispensing monies from an imprest fund.

Local trading area - the Greater Washington Metropolitan Statistical Area as defined by the Greater Washington Research Center or any successor entity recognized by the Director.

Purchase order - an offer by the District to buy certain supplies, services, or other items from commercial sources, upon specified terms and conditions, the aggregate amount of which does not exceed the small purchase limit.

Quotation - a citation of price and delivery terms or a period of performance by a contractor in response to a contracting officer's request on procurements of ten thousand dollars (\$10,000) or less.

Receiving report - written documentation of supplies delivered or services performed as noted by the contracting officer or other authorized District personnel.

Small purchase - a procurement of supplies, services, or other items in an aggregate amount not exceeding the small purchase authority limitations set forth in this chapter.

Trade discount - a price allowance or deduction, usually as a percentage, allowed to different classes of customers.

Unpriced purchase order - an order for supplies, services or other items, the price of which is not established at the time of issuance of the order.

SOURCE: Final Rulemaking published at 35 DCR 1488 (February 26, 1988).